

*Houston-Galveston Area Emission Reduction Credit Organization Financial Report  
November 4, 2009*

<b>Area Emissions Reduction Credit Organization (AERCO) Quarterly Financial Report</b>		
<b>Quarter</b>	<b>Amount</b>	
<b>Previous Quarter Total (2009/3)</b>	<b>\$ 6,788,114.55</b>	
<b>Current Quarter Total (2009/4)</b>	<b>\$6,202,620.35</b>	
<b>AERCO Account Transactions: October 1, 2009 –December 31, 2009</b>		
<b>AERCO Account Income</b>		
<b>Date of Deposit</b>	<b>Company</b>	<b>Amount</b>
October 1, 2009		\$31,500.00
October 5, 2009		\$15,211.00
October 19, 2009		\$3,880.00
October 21, 2009		\$23.82
October 23, 2009		\$7,490.00
October 26, 2009		\$15,000.00
October 31, 2009	OCTOBER INTEREST	\$2,196.98
November 30, 2009	NOVEMBER INTEREST	\$1,952.70
December 1, 2009		\$3,730.00
December 22, 2009		\$39,000.00
December 31, 2009	DECEMBER INTEREST	\$1,500.95
<b>AERCO Account Expenditures</b>		
<b>Date of Withdrawal</b>	<b>Project/District</b>	<b>Amount</b>
October 2009	Pasadena ISD	\$79,989.00
November 2009	Danbury ISD	\$61,714.00
November 2009	Cy-Fair ISD	\$115,198.00
November 2009	Cy-Fair ISD	\$253,484.43
December 2009	Klein ISD	\$196,570.40

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<b>AERCO Account Funding Summary</b> <i>As of January 22, 2010</i>						
<b>County</b>	<b>Funding Approved by TCEQ</b>	<b>Total Amount Received to Date*</b>	<b>Funding for Potential Recipient (in application process)</b>	<b>Funding Committed to Applicant (in contract phase)</b>	<b>Funding Reimbursed to Recipients</b>	<b>Available Funds</b>
Brazoria	\$0.00	\$1,627,062.06	\$730,897.91	\$188,486.00	\$252,495.00	\$455,183.15
Chambers	\$0.00	\$68,951.43	\$0.00	\$0.00	\$0.00	\$68,951.43
Fort Bend	\$0.00	\$5,778.54	\$0.00	\$0.00	\$0.00	\$5,778.54
Galveston	\$5,000.00	\$349,054.74	\$160,319.00	\$0.00	\$103,525.00	\$85,210.74
Harris	\$37,560.00	\$5,375,872.29	\$586,957.40	\$711,208.04	\$391,650.00	\$3,686,056.85
Liberty	\$0.00	\$4,612.00	\$0.00	\$0.00	\$0.00	\$4,612.00
Montgomery	\$0.00	\$5,744.38	\$0.00	\$0.00	\$5,638.22	\$106.16
Waller	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$42,560.00</b>	<b>\$7,437,075.43</b>	<b>\$1,478,174.31</b>	<b>\$899,694.04</b>	<b>\$753,308.22</b>	<b>\$4,305,898.86</b>

\*Since program inception

<b>Active AERCO Projects</b> <i>As of January 22, 2010</i>						
<b>Designated Recipient</b>	<b>Project Description</b>	<b>Status</b>	<b>Board Approval Date</b>	<b>Funds Granted</b>	<b>Estimated Annual NOx Reduction (tons)</b>	<b>Estimated Annual VOC Reduction (tons)</b>
Sheldon ISD	1 Bus Replacement	Compliance Phase	4/17/2007	\$60,569	0.12	Not Evaluated
Humble ISD	4 Repowers	Compliance Phase	7/17/2007	54000	0.64	Not Evaluated
Tomball ISD	1 Bus Replacement	Compliance Phase	7/17/2007	48426	0.15	Not Evaluated

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Klein ISD	4 Bus Replacements	Compliance Phase	2/19/2008	\$254,297.46	0.66	Not Evaluated
Cy-Fair ISD	4 Engine Replacements	Compliance Phase	3/18/2008	\$115,198.04	0.51	Not Evaluated
Danbury ISD	1 Bus Replacement, 2 Engine Repowers	Compliance Phase	5/20/2008	\$160,000	1.31	Not Evaluated
Pasadena ISD	1 Bus Replacement	Compliance Phase	5/20/2008	\$80,000	0.11	Not Evaluated
Galveston ISD	2 Bus Replacements	Compliance Phase	5/20/2008	\$105,948.13	0.15	Not Evaluated
Magnolia ISD	7 CCV Retrofits	Compliance Phase	N/A	\$5,638.22	0	Not Evaluated
Waller ISD	35 Retrofits, 3 Replacements	Implementation Phase	5/20/2008	\$125,000	0	Not Evaluated
Danbury ISD	1 Bus Replacement	Compliance Phase	12/16/2008	\$61,714	0.168	Not Evaluated
Cy-Fair ISD	3 Bus Replacements	Compliance Phase	3/17/2009	\$254,913	0.32	Not Evaluated
Damon ISD	1 Bus Replacement	Implementation Phase	4/21/2009	\$96,962	0.07	Not Evaluated
Our Lady Queen of Peace	1 Bus Replacement	Compliance Phase	4/21/2009	\$92,495	0.03	Not Evaluated
Columbia-Brazoria ISD	10 Engine Retrofits	Implementation Phase	4/21/2009	\$29810	0.0027	Not Evaluated

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Spring ISD	1 Bus Replacement	Implementation Phase	4/21/2009	\$61,097	0.226	Not Evaluated
Klein ISD	5 Engine Replacements	Implementation Phase	6/16/2009	\$200,000	0.244	Not Evaluated
High Island ISD	1 Bus Replacement	Implementation Phase	10/20/2009	\$76,993	0.134	Not Evaluated
North Forest ISD	2 Bus Replacements	Implementation Phase	11/17/2009	\$191,837	0.372	Not Evaluated
Brazosport ISD		Application Phase				Not Evaluated
Texas City ISD	1 Bus Replacement	Implementation Phase	11/17/2009	\$83,326	0.02	Not Evaluated
Pasadena ISD		Application Phase				Not Evaluated
Huffman ISD		Application Phase				Not Evaluated
High Island ISD		Application Phase				Not Evaluated
Cy-Fair ISD		Application Phase				Not Evaluated